

**CT General Assembly
Labor and Public Employees Committee
March 10, 2011
TESTIMONY FOR PUBLIC HEARING:
SB 989, SB 990 and HB 6409**

Senator Prague, Representative Zalaski, Ranking Members, and
Members of the Labor and Public Employees Committee:

My name is Patrice Peterson, and I am the President of CSEA/SEIU Local 2001, the union that represents 25,000 state and municipal employees and retirees across the state of Connecticut. I am also a Special Education teacher with the Connecticut Department of Developmental Services.

I come to speak today against SB 989, against SB 990, and against HB 6409. These bills represent an effort to weaken the capacity of arbitration panels to deliver balanced and fair decisions on behalf of Connecticut's middle-class men and women working in our municipalities.

**SB 989 AN ACT CONCERNING RESERVE FUND BALANCES
AND CHANGES TO MUNICIPAL BINDING ARBITRATION.**

First, let me start with SB 989. Arbitration panels must be allowed to consider the true financial landscape when determining the proper settlement of cases before them. As proposed, this bill would block

arbitration panels from considering reserve fund balances. Credit-rating agencies require municipalities to maintain unnecessarily large reserve funds in order to protect their credit ratings.

SB 989 unfairly benefits credit-rating agencies – the same people who gave triple-A ratings to junk bonds. It will not result in lower-property taxes or better services for municipalities. It is a dangerous and short-sighted approach.

This bill shows the credit-rating agencies are up to their old tricks, in this case devaluing the total accounts of municipalities, thereby giving leverage to those who wish to lay-off employees and shrink services. We have just seen this credit-rating industry over-value junk-bonds, for the sake of short-term profit, which was a driver of our economy into its present state of recession. Now, we see them undervaluing the total assets of municipalities, for the sake of driving public services into the hands of private contractors.

SB 990, AN ACT CONCERNING THE PREVAILING RATE OF WAGES.

By raising the prevailing wage-threshold for new construction and related work on public-works projects, SB 990 would penalize hard-working men and women just at the time when middle-class families are rebuilding our state economy. SB 990 is an attack on the wages earned by the same men and women who were hit hardest by the economic meltdown and who are now trying to pull our state's

economy out of the ditch. SB 990 would gouge wages upon which families and our local economies depend.

Precisely when working families need to hang on to their homes and pay their mortgages, SB 990 would regressively set back middle class families.

**HB 6409, AN ACT REQUIRING NEUTRAL MUNICIPAL
ARBITRATORS BE MEMBERS OF THE AMERICAN
ARBITRATION ASSOCIATION.**

By no means is the American Arbitration Association (AAA) an exclusive body. Requiring arbitrators to be members of the AAA is not a useful qualifying standard for matters of municipal arbitration because anyone can apply to join this organization. If one were to want to set a standard, they could look to the National Academy of Arbitrators. However, the better model to use would be the state system where state workers and management jointly choose arbitrators.

I respectfully urge you to vote against SB 989, against SB 990, and against HB 6409.